

## Message Text

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ORIGIN COME-00

INFO OCT-01 AF-05 ISO-00 EB-05 XMB-01 AID-07 L-03 OPIC-01

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COM/BIC/OED/MEPD/JSANDS, DIRECTOR

COM/BIC/OIM/FOCWIEJA (INFO)

STATE/AF/C/JHDIGGS

----- 055437

R 121909Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY LIBREVILLE

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C O R R E C T E D C O P Y (OMISSION LAST LINE, PARA 3,).

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E.O. 11652: N/A

TAGS: BEXP:GB

SUBJ: TRANSGABON RAILROAD--FINANCING

REF: LIBREVILLE 1008

1. NEWS THAT GOG HAS THE CASH AND INTENDS TO USE IT TO MOVE QUICKLY ON BOTH SECTIONS ONE AND TWO OF TRANSGABON SEEMS VERY ENCOURAGING -- ESPECIALLY FOR MORRISON-KNUDSEN PROPOSAL.

2. DOES THIS MEAN THAT GE WOULD NO LONGER NEED U.S. FINANCING TO LAND LOCOMOTIVES CONTRACT?

3. SHOULD BONGO'S STATEMENT ACCELERATE REVIEW PROPOSALS BOOUE-FRANCEVILLE SECTION, EMBASSY SHOULD BE PREPARED  
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DEFEND MORRISON-KNUDSEN BID STRESSING (A) GOG EXPRESSED

DESIRE FOR U.S. TECHNOLOGY; (B) M-K'S PROVEN PERFORMANCE AND DEPENDABILITY WHICH HAS PLACED M-K IN TOP-MOST ECHELON OF QUALITY ENGINEERING/CONSTRUCTION FIRMS; (C) WHERE TECHNOLOGY IS CONCERNED, THE CUSTOMER GETS ONLY WHAT HE PAYS FOR I.E., TOP-DRAWER FIRMS HIRE TOP-DRAWER TECHNICIANS AND MANAGERS WHO GET PAID ACCORDINGLY); (D) INITIAL PRICE, WHILE AN IMPORTANT CONSIDERATION, MUST BE EVALUATED IN LIGHT OF BIDDERS' RESPECTIVE TRACT RECORDS, INTEGRITY, MANAGERIAL AND TECHNICAL ABILITY, RECOGNIZING THAT ENGINEER/CONTRACTORS FEES ONLY SMALL PROPORTION TOTAL CONSTRUCTION COST,

AND DIFFERENCE BETWEEN TOP-QUALITY AND SECOND-BEST TECHNOLOGY CAN COST MILLIONS IN SUBSEQUENT REPAIR, MAINTENANCE, OPERATING EXPENSES OVER LIFETIME OF RAILROAD; (E) THE LARGER THE PROPORTION OF BUSINESS GIVEN M-K, THE MORE TOP-DRAWER U.S. TECHNOLOGY FOR GABON, AND M-K TURNKEY JOB BEING OPTIMUM.

4. EMBASSY REQUESTED ADVISE (A) WHETHER AND HOW SOON MRCE MACHINERY WILL BE INITIATED FOR BOOUE-FRANCEVILLE SECTION; (B) QUALIFICATIONS NEEDED FOR USG REPRESENTATIVE MRCE (PRESUMABLY RAILROAD DESIGN ENGINEERING.)  
KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Draft Date:** 12 AUG 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** CollinP0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TRANSGABON RAILROAD--FINANCING  
**TAGS:** BEXP, GB  
**To:** LIBREVILLE  
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